CITY OF MONCTON

GENERAL SECTION

FINANCIAL STATEMENTS

DECEMBER 31, 1986

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AUDITORS' REPORT

His Worship the Mayor
and Members of the City Council

We have examined the revenue fund, capital fund and related reserve fund balance sheets of the City of Moncton as at December 31, 1986, the revenue fund statement of revenue, expenditure and surplus, the statement of investment in capital assets and the statement of capital financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the City as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Moncton, New Brunswick
April 3, 1987

Chartered Accountants

CITY OF MONCTON

REVENUE FUND

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

YEAR ENDED DECEMBER 31, 1986

	1986		1985
	Budget	Actual	Actual
Revenue			
Taxes	$21,225,765	$21,225,765	$19,208,334
Unconditional transfers from Provincial Government	14,892,261	14,892,261	14,715,577
Other revenue from own sources	2,330,317	2,669,416	2,620,974
Transfer of surplus	46,483	46,483	33,122
	$38,494,826	38,833,925	36,578,007
Expenditures			
General government	$ 3,463,633	3,559,196	3,370,699
Protection	13,750,794	13,547,931	12,555,351
Transportation	6,877,520	7,008,586	7,240,150
Environmental health and development	1,414,801	1,548,059	1,376,146
Recreation and culture	5,733,033	5,723,436	4,945,321
Fiscal	7,255,045	7,115,135	6,797,398
	$38,494,826	38,502,343	36,285,065
Excess of revenue over expenditure		331,582	292,942
Appropriations to reserve and trust funds (Note 2)		325,000	263,872
Surplus for the year		6,582	29,070
Surplus, beginning of year		75,553	79,605
		82,135	108,675
Transfer to current budget		(46,483)	(33,122)
Surplus, end of year		$ 35,652	$ 75,553

CITY OF MONCTON

REVENUE FUND BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Cash and term deposits	$ 1,643	$ 2,966,227
Receivables (Note 3)	4,517,086	3,236,563
Receivable from		
Capital fund	3,155,843	4,329,191
Codiac Transit Commission	220,359	191,198
Maritime Coliseum - Agrena Commission	177,435	543,642
Sinking funds		1,193
Water and Light revenue fund	698,375	
Inventory, at cost	690,060	695,739
Unamortized debenture discounts	369,891	368,163
	$9,830,692	$12,331,916

LIABILITIES AND SURPLUS		
Bank indebtedness	$2,022,461	$ 4,658,115
Payables and accruals (Note 5)	5,400,200	5,810,246
Payable to		
City Hall development fund	9,419	
Snow removal reserve trust fund	681,108	616,124
Reserve for land development	511,597	159,786
Machinery and equipment depreciation trust fund	1,162,583	912,908
Cash in lieu of parking spaces reserve		39,434
Water and Light revenue fund		59,750
Sinking funds	7,672	
Surplus (Page 2)	35,652	75,553
	$9,830,692	$12,331,916

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CAPITAL FUND BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Receivables (Note 4)	$ 311,509	$ 351,521
Property and equipment (Note 6)	102,294,270	96,230,350
Assets being retired by revenue fund appropriations	161,189	717,997
	$102,766,968	$97,299,868

LIABILITIES AND EQUITY

Payable to the revenue fund	$ 3,155,843	$ 4,329,191
Long term debt (Note 7)	34,889,174	33,592,995
	38,045,017	37,922,186
Investment in capital assets (Page 5)	64,721,951	59,377,682
	$102,766,968	$97,299,868

Commitments (Note 8)

Contingencies (Note 9)

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CAPITAL FUND

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Balance, beginning of year	$59,377,682	$54,279,309
Add:		
Debt retired	3,011,655	2,752,803
Contributions - Federal/Provincial Governments		
Designated highways recovery	543,823	643,080
Stimulation grant	166,000	200,000
Magnetic Hill project	905,778	507,577
Local improvement projects		62,395
Museum project		43,049
Traffic signals and crossings	39,770	34,602
Dutch Elm project	189,521	210,076
Main Street program - MCBDC	28,621	
City's contributions		
City Hall development fund		46,047
Capital out of current funds	20,000	331,467
Cash in lieu of parking reserve	42,300	
Other		
Local improvement and branch sewer recoveries	303,539	264,803
Sale of land	93,262	
Kiwanis Club beach project		2,474
Balance, end of year	$64,721,951	$59,377,682

CITY OF MONCTON

CAPITAL FUND

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Funds provided by		
Capital contributions from other governments	$ 1,873,525	$1,700,779
Local improvement and branch sewer recoveries	303,539	264,803
City Hall development fund		46,047
City current fund	20,000	331,467
Cash in lieu of parking reserve	42,300	
Kiwanis Club of Moncton Inc.	40,000	
Sale of land	93,262	
Debentures issued	4,700,800	3,270,000
Mortgages re Magnetic Hill land purchases		300,000
Increase in borrowing from current fund		286,719
Appropriations from revenue fund		
Write off of assets	781,317	971,880
Debt retirement	3,011,655	2,752,803
	$10,866,398	$9,924,498
Funds applied to		
Purchase and construction of capital assets		
Permanent streets	$ 4,711,159	$4,096,177
Moveable equipment	44,363	1,502
Real estate	812,663	1,900,238
Storm and branch sewers	495,735	542,525
	6,063,920	6,540,442
Decrease in borrowing from current fund	1,173,348	
Repayment of mortgages	392,966	270,883
Repayment of City Hall development fund debt		103,270
Redemption of long term debt	3,011,655	2,752,803
Purchase of assets to be written off to current fund	224,509	257,100
	$10,866,398	$9,924,498

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. Significant accounting policies

(a) Revenue recognition

Major sources of revenue are recorded on an accrual basis.

(b) Expenditure recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Principal repayments of long term debt are recorded as expenditures when repaid. Interest on long term debt is recorded on an accrual basis. Debenture discounts are written-off on a straight line basis over the terms of the various issues.

(c) Fixed assets

Capital assets and projects in progress are recorded at cost. The City funds certain capital expenditures by means of appropriations from the revenue fund over periods ranging from three to five years. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to investment in capital assets, in addition to the principal repayments of long term debt.

(d) Prior year's operating results

Section 89 of the Municipalities Act of New Brunswick requires that the excess of revenue over expenditure for a fiscal year be included in revenue of the second ensuing year.

(e) Financing

It is the policy of the City to charge interim financing costs for annual capital construction projects to current fund fiscal expenditures.

2. Appropriations to reserve and trust funds

	1986	1985
Machinery and equipment depreciation trust fund:		
(a) Amended bylaw 312-3/85 - April 24, 1985		$ 4,662
(b) Amended bylaw 312-4/85 - October 16, 1985		9,210
(c) Amended bylaw 312-5/85 - December 23, 1985		200,000
(d) Amended bylaw 312-6/86 - December 17, 1986	$325,000	
	325,000	213,872
Snow removal reserve trust fund		
Amended bylaw 303-3/85 - December 23, 1985		50,000
	$325,000	$263,872

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

3. Receivables - Revenue Fund

	1986	1985
Sewer construction	$ 92,029	$ 104,816
Local improvements	120,748	161,828
Provincial government	1,095,041	970,009
Moncton Industrial Development	696,392	701,199
Resurgo Inc.	547,254	938,335
Federal government	1,701,595	
Other - various	264,027	360,376
	$4,517,086	$3,236,563

4. Receivables - Capital Fund

The City of Moncton entered into an agreement with the Kiwanis Club of Moncton Inc. to pay the net cost to construct the Centennial Beach project. The Kiwanis Club agreed to reimburse the City for this net cost up to a maximum of $400,000 which is to be repaid over a period of 5 years. Should any balance remain unpaid then the City has agreed to extend the period of repayment a further 5 years. Payments received to December 31, 1986 aggregate $45,000 leaving a balance receivable at December 31, 1986 of $311,509.

5. Payables and accruals - Revenue fund

	1986	1985
Accounts payable and commitments	$3,849,143	$4,196,580
Contractors' holdbacks	660,326	768,935
Interest on long term debt	847,129	805,438
Local improvement deposits	43,602	39,293
	$5,400,200	$5,810,246

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

6. Property and equipment, at cost

	1986			1985
	Fully Funded	To Be Funded By Debentures	Total	Total
Permanent streets	$60,537,549	$ 462,397	$ 60,999,946	$56,288,787
Moveable equipment	1,700,052	44,362	1,744,414	1,700,051
Real estate	19,851,244	1,820,378	21,671,622	20,858,959
Storm sewers and branch sewers	17,269,324	608,964	17,878,288	17,382,553
	$99,358,169	$2,936,101	$102,294,270	$96,230,350

7. Long term debt

	1986	1985
Debenture debt		
Serials and certificates	$27,958,058	$26,358,299
Sinking funds	5,821,800	5,653,800
	33,779,858	32,012,099
Other		
Municipal Development and Loan Board	130	6,062
Winter Capital Project Fund	459,671	500,969
Department of Regional Industrial Expansion	396,559	427,943
Mortgages payable re Magnetic Hill	252,956	645,922
	$34,889,174	$33,592,995

Effective January 1, 1982 the debt, which related to the capital assets transferred to the Codiac Transit Commission, was also transferred.

Effective January 1, 1983 the debenture debt, which related to the capital assets transferred to the Maritime Coliseum - Agrena Commission, was also transferred.

The various long term debt obligations of the Commissions remain the ultimate responsibility of the City of Moncton.

Principal payments required during the next five years are as follows:

1987 - $3,242,836 1988 - $3,191,716 1989 - $3,278,021
1990 - $3,172,187 1991 - $3,060,703

In addition, the sinking fund issue of March 1, 1982 is being provided for annually in the amount of $98,010.

CITY OF MONCTON

REVENUE AND CAPITAL FUNDS

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

8. Commitments

(a) The City is obligated under a long term lease agreement to pay minimum annual rentals of $269,000 until September 30, 2011 plus escalation costs and taxes. In 1986 this additional amount approximated $160,000.

(b) In 1983 the City initiated a downtown redevelopment project estimated to cost $11,550,000. The cost of the project was being financed by grants from the two senior levels of government totalling $10,000,000. The City's commitment was to provide $1,550,000 in capital funds over the four year period ending in 1987. At December 31, 1986 the City had provided $1,321,850 and has committed an additional $228,150 in 1987.

(c) In 1984 and 1985 the City entered into various agreements to purchase land for development of Magnetic Hill. The City is committed to provide for these purchases in capital budgets over the next two years to cover the cost of land purchased. At December 31, 1986 the land purchases to be provided for in capital budgets in 1987 and 1988 totals $353,775.

9. Contingencies

The City is contingently liable for debentures and other capital debt reflected on the capital funds of the Water and Light Department, the Maritime Coliseum - Agrena Commission and the Codiac Transit Commission.

10. The 1986 budget figures presented on pages 2, 19, 20 and 21 reflect those reallocations approved by the City Manager and reported to Council throughout the year. Gross revenues and expenditures are reflected in the statement of revenue, expenditure and surplus.

CITY OF MONCTON

SINKING FUND - '89

BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Cash and term deposits	$1,211,018	$ 698,321
Accrued interest receivable	62,448	72,053
Receivable from City of Moncton revenue fund	6,413	
Investments, at par (Page 13)	1,883,000	2,069,000
	$3,162,879	$2,839,374

EQUITY

Equity, beginning of year	$2,839,374	$2,429,226
Add:		
Annual appropriation		123,409
Interest earned	323,505	286,739
Equity, end of year	$3,162,879	$2,839,374

This sinking fund was originally established to finance repayment of a $3,500,000 sinking fund issue maturing, November 1, 1989.

The reserve equity includes a surplus of $677,327 in excess of the actuarial requirement of $2,485,552 as at December 31, 1986.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SINKING FUND - '97

BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Cash and term deposits	$ 38,265	$ 558
Receivable from City of Moncton Revenue Fund	1,259	
Accrued interest receivable	17,475	17,371
Investments, at par (Page 13)	548,000	425,000
	$604,999	$442,929
LIABILITIES		
Payable to the City of Moncton revenue fund	$	$ 1,193
EQUITY		
Equity, beginning of year	441,736	272,010
Add:		
Annual appropriation	107,300	107,300
Interest earned	55,963	62,426
Equity, end of year	604,999	441,736
	$604,999	$442,929

This sinking fund was established to finance repayment of a $4,000,000 sinking fund issue maturing, March 1, 1997.

The reserve equity includes a surplus of $46,023 in excess of the actuarial requirement of $558,976 as at December 31, 1986.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SINKING FUNDS

SCHEDULES OF INVESTMENTS

DECEMBER 31, 1986

Sinking Fund '89

Debentures	Interest Rate		Maturity Date	Par Value
City of Campbellton	13¼		December 28, 1992	$ 30,000
City of Campbellton	13¼		December 28, 1991	20,000
City of Dartmouth	9½		March 1, 1990	14,000
City of Fredericton	9¾		March 1, 1989	40,000
City of Fredericton	9¾		March 1, 1990	40,000
City of Fredericton	9¾		March 1, 1991	40,000
City of Moncton	9½		April 1, 1989	23,000
City of Moncton	9¾		April 15, 1989	32,000
City of Moncton	10¾		June 1, 1989	12,000
City of Sydney	10½		January 1, 1989	57,000
Toronto Dominion Leasing Ltd.	11¾		December 15, 1987	400,000
Village of Charlo	10¾		October 1, 1987	8,000
Village of St. Joseph	9¾		December 15, 1989	31,000
Village of St. Joseph	9¾		December 15, 1990	59,000
Village of St. Joseph	9¾		December 15, 1991	50,000
La Hetriere-McGinley Sewage Commission	11	(1)	February 8, 1994	136,000
				992,000
Certificates of Indebtedness				
City of Moncton	17¼	(1)	August 10, 1989	187,500
City of Moncton	17½		March 1, 1997	250,000
City of Moncton	12¾		December 1, 1987	50,000
City of Moncton	13¼		December 1, 1988	50,000
City of Moncton	11½		July 3, 1989	75,500
City of Moncton	10¾	(1)	July 3, 1989	198,000
City of Moncton	12¾		October 26, 1988	80,000
				$1,883,000

Sinking Fund '97

Certificates of Indebtedness				
City of Moncton	9 - 10%		December 1, 1996	$ 168,000
City of Moncton	9½	(1)	April 1, 1994	150,000
City of Moncton	10¾		July 3, 1994	136,000
City of Moncton	11½	(1)	July 3, 1996	94,000
				$ 548,000

(1) Serial type issues with annual redemption.

CITY OF MONCTON

CITY HALL DEVELOPMENT FUND

BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Cash and term deposits	$1,513,664	$1,408,787
Receivable from City of Moncton revenue fund	9,419	
Land	30,000	30,000
	$1,553,083	$1,438,787

EQUITY

Equity, beginning of year	$1,438,787	$1,375,565
Add: Interest earned	114,296	154,950
	1,553,083	1,530,515
Deduct: Appropriations to capital funds		91,728
Equity, end of year	$1,553,083	$1,438,787

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

RESERVE FOR LAND DEVELOPMENT

BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Receivable from City of Moncton revenue fund	$511,597	$159,786
Receivable from Atlantic Peoples Housing	173,711	
	$685,308	$159,786

EQUITY

Equity, beginning of year	$159,786	$ 89,506
Add:		
Interest earned	37,955	12,096
Cash received in lieu of land	487,567	58,184
Equity, end of year	$685,308	$159,786

This fund represents monies received relative to the subdivision of land and is to be expended at the direction of City Council for acquiring or developing land for public purposes.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

SNOW REMOVAL RESERVE TRUST FUND

BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Receivable from City of Moncton revenue fund	$681,108	$616,124

EQUITY

Equity, beginning of year	$616,124	$511,713
Add:		
Interest earned	64,984	54,411
Appropriation from revenue fund surplus		50,000
Equity, end of year	$681,108	$616,124

This fund represents monies appropriated for snow removal purposes and will be expended at the direction of Council.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

CASH IN LIEU OF PARKING RESERVE

BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Receivable from City of Moncton revenue fund	$ Nil	$ 39,434
EQUITY		
Equity, beginning of year	$ 39,434	$ 35,651
Add:		
Interest earned	2,866	3,783
	42,300	39,434
Less:		
Appropriation to Capital Fund	42,300	
Equity, end of year	$ Nil	$ 39,434

This fund, established in 1980, represented monies received which were used in future development of parking lot property at the discretion of City Council. Moncton City Council, on October 8, 1986 authorized the transfer of the fund balance to assist with the purchase of land for parking purposes.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

MACHINERY AND EQUIPMENT DEPRECIATION TRUST FUND

BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Receivable from City of Moncton revenue fund	$1,162,583	$912,908

EQUITY

Equity, beginning of year	$ 912,908	$601,624
Equipment purchases	(170,185)	
Add: Appropriations from City revenue fund	325,000	213,872
Proceeds from equipment auction		31,769
Interest earned	94,860	65,643
Equity, end of year	$1,162,583	$912,908

This fund was established in 1982 for purposes of providing funds for future purchases of machinery and equipment.

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

REVENUE FUND

REVENUE DETAIL

YEAR ENDED DECEMBER 31, 1986

	1986		1985
	Budget	Actual	Actual
Other revenue from own sources			
Licenses and permits	$ 295,660	$ 483,768	$ 431,910
Fines and fees	209,000	325,584	279,281
Rent	153,661	174,898	190,693
Miscellaneous	23,850	27,923	35,426
Recovery from utility fund	88,380	88,380	88,380
Protection	148,260	165,658	165,190
Transportation	575,924	546,211	584,190
Environmental	116,055	119,390	162,595
Arenas	403,200	427,451	409,273
Other recreational	316,327	310,153	274,036
	$2,330,317	$2,669,416	$2,620,974

CITY OF MONCTON
REVENUE FUND
EXPENDITURE DETAIL
YEAR ENDED DECEMBER 31, 1986

	1986		1985
	Budget	Actual	Actual
General government			
Mayor and councillors	$ 276,670	$ 271,153	$ 238,804
City clerk and city manager	358,780	355,336	336,935
Finance and accounting department	917,201	911,340	872,267
Solicitors' department	226,663	212,740	207,356
City Hall building	515,364	545,459	504,439
Civic relations	416,384	419,581	360,854
Other administrative services	311,024	402,234	441,859
Grants	441,547	441,353	408,185
	3,463,633	3,559,196	3,370,699
Protection			
Police protection	6,730,275	6,675,703	6,262,528
Fire protection	5,326,505	5,174,110	4,608,493
Water costs for fire protection	1,175,000	1,195,000	1,212,188
Building inspection	321,118	316,433	302,531
Other protective services	197,896	186,685	169,611
	13,750,794	13,547,931	12,555,351
Transportation			
Engineering - administrative	1,000,212	1,117,846	936,961
Roads, streets and equipment	3,447,835	3,507,044	4,123,427
Street lighting	1,167,180	1,075,069	1,090,475
Traffic and parking	484,682	531,016	436,079
Public transit subsidy	777,611	777,611	653,208
	6,877,520	7,008,586	7,240,150
Environmental health and development			
Garbage and waste collection	996,681	1,128,189	961,533
Planning commission grant	126,274	126,274	126,113
Industrial development grant	200,000	200,000	199,500
Tourist bureau operation	14,730	14,670	16,765
R.R.A.P. program	77,116	78,926	72,235
	1,414,801	1,548,059	1,376,146
Recreation and culture			
Parks and playgrounds	3,317,688	3,284,197	2,780,470
Museum	248,644	257,599	229,320
Library	78,138	83,108	82,999
Game farm	239,239	280,825	206,306
Special events	10,674	15,955	29,566
Coliseum - Agrena subsidy	1,288,997	1,288,997	1,138,748
Arenas	549,653	512,755	477,912
	5,733,033	5,723,436	4,945,321

CITY OF MONCTON

REVENUE FUND

EXPENDITURE DETAIL

YEAR ENDED DECEMBER 31, 1986

	1986		1985
	Budget	Actual	Actual
Fiscal			
Interest on short term borrowing (investing) - net	$(492,443)	$(602,798)	$(35,962)
Interest on long term debt	4,321,460	4,291,905	3,912,024
Principal instalments on long term debt	3,280,869	3,280,869	2,752,803
Sinking fund appropriations	145,159	145,159	168,533
	7,255,045	7,115,135	6,797,398
Total expenditures	$38,494,826	$38,502,343	$36,285,065

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

FINANCIAL STATEMENTS

DECEMBER 31, 1986

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AUDITORS' REPORT

His Worship the Mayor
and Members of City Council

We have examined the revenue fund and the capital fund balance sheets of the City of Moncton Water and Light Department as at December 31, 1986, the related statements of revenue, expenditure and surplus, the statement of investment in capital assets and the statement of capital financing for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly, included such tests and other procedures as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the City of Moncton Water and Light Department as at December 31, 1986 and the results of its operations for the year then ended in accordance with generally accepted municipal accounting principles applied on a basis consistent with that of the preceding year.

Doane Raymond

Moncton, New Brunswick
March 16, 1987

Chartered Accountants

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS

WATER UTILITY

YEAR ENDED DECEMBER 31, 1986

	1986		1985
	Budget	Actual	Actual
Revenue			
Water user charges	$3,250,000	$3,315,688	$3,256,465
Fire protection charges - City of Moncton	1,175,000	1,195,000	1,212,188
Interest on consumer accounts	50,000	158,235	73,992
Other	8,500	7,500	7,500
Transfer of surplus (Note 1(e))	588,605	588,605	725,583
	5,072,105	5,265,028	5,275,728
Expenditures			
Administration	486,691	512,041	425,866
Source of supply	129,361	120,647	78,507
Power and pumping	439,221	381,487	383,009
Purification	177,304	125,971	119,970
Transmission and distribution	1,268,407	1,465,244	1,487,885
Fiscal	2,246,977	2,193,938	2,004,427
	4,747,961	4,799,328	4,499,664
Excess of revenue over expenditure	$ 324,144	465,700	776,064
Surplus, beginning of year		1,017,480	966,999
		1,483,180	1,743,063
Transfer to current budget		(588,605)	(725,583)
Surplus, end of year		$ 894,575	$1,017,480

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF REVENUE, EXPENDITURE AND DEFICIT

SEWER UTILITY

YEAR ENDED DECEMBER 31, 1986

	1986		1985
	Budget	Actual	Actual
Revenue			
Sewer user charges	$1,400,000	$1,416,411	$1,391,771
Interest income		25,377	25,299
Transfer of surplus	205,380	205,380	218,578
	1,605,380	1,647,168	1,635,648
Expenditures			
Administration	100,394	106,300	96,366
Maintenance	514,500	419,762	406,595
Fiscal	1,334,881	1,327,186	1,084,663
	1,949,775	1,853,248	1,587,624
Excess of revenue over expenditure (expenditure over revenue)	$(344,395)	(206,080)	48,024
Other:			
Special levy - Sewage treatment		235,632	232,771
Sewage Commission allocation		(776,000)	(448,000)
		(540,368)	(215,229)
Deficit for the year		(746,448)	(167,205)
Surplus, beginning of year		60,018	445,801
		(686,430)	278,596
Transfer to current budget		(205,380)	(218,578)
Surplus (deficit), end of year		$(891,810)	$ 60,018

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

STATEMENT OF COMBINED SURPLUS

YEAR ENDED DECEMBER 31, 1986

	1986				1985
	Water	Sanitary Sewer-Regular	Sewage Treatment - Special	Total	Total
Surplus (deficit), beginning of year	$1,017,480	$167,407	$(107,389)	$1,077,498	$1,412,800
Transfer to current budget	(588,605)	(97,540)	(107,840)	(793,985)	(944,161)
Excess of revenue over expenditure (expenditure over revenue)	465,700	(206,080)	(540,368)	(280,748)	608,859
Surplus (deficit), end of year	$ 894,575	$(136,213)	$(755,597)	$ 2,765	$1,077,498

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

REVENUE FUND

BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Cash	$ 450	$ 400
Receivables	767,869	706,522
Receivable from Treasury current fund		59,750
Inventory, at cost	210,390	214,860
Prepaid sewer user costs (Note 2)	1,162,844	776,047
Unamortized debenture discounts	167,301	168,494
Deferred equipment costs		8,112
	$2,308,854	$1,934,185

LIABILITIES AND SURPLUS

Payables and accruals	$ 321,834	$ 301,093
Payable to Treasury current fund	698,375	
Payable to Water and Light capital fund	1,105,035	255,418
Liability for contract holdbacks	180,845	300,176
Surplus (Page 27)	2,765	1,077,498
	$2,308,854	$1,934,185

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

CAPITAL FUND

BALANCE SHEET

DECEMBER 31, 1986

ASSETS	1986	1985
Property, plant and equipment (Note 3)	$48,782,185	$46,444,575
Receivable from Water and Light revenue fund	1,105,035	255,418
	$49,887,220	$46,699,993

LIABILITIES AND EQUITY

Long term debt (Note 4)	$22,128,112	$21,673,902
Investment in capital assets (Page 30)	27,759,108	25,026,091
	$49,887,220	$46,699,993

ON BEHALF OF THE COUNCIL

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CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

YEAR ENDED DECEMBER 31, 1986

	1986			1985
	Water	Sanitary Sewer	Total	Total
Balance, beginning of year	$18,569,481	$6,456,610	$25,026,091	$23,656,024
Add:				
Principal debt matured	927,159	618,632	1,545,791	1,253,516
Contributions from the Federal government	618,061	398,000	1,016,061	
Province of New Brunswick				81,551
Local improvement recoveries	90,208	80,957	171,165	35,000
Balance, end of year	$20,204,909	$7,554,199	$27,759,108	$25,026,091

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

STATEMENT OF CAPITAL FINANCING

YEAR ENDED DECEMBER 31, 1986

	1986	1985
Funds derived from		
Capital contributions from other governments	$1,016,061	$ 81,551
Debentures issued	2,000,000	3,370,000
Appropriation from revenue fund for debt retirement	1,545,791	1,253,516
Local improvement recoveries	171,165	35,000
Decrease in borrowings by the revenue fund		214,904
	$4,733,017	$4,954,971
Funds applied to		
Purchase and construction of capital assets		
Water system	$1,556,627	$2,516,505
Sanitary sewer system	780,983	1,184,950
	2,337,610	3,701,455
Redemption of long term debt	1,545,791	1,253,516
Increase in temporary borrowings by revenue fund	849,616	
	$4,733,017	$4,954,971

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

1. Significant accounting policies

(a) Revenue recognition

Major sources of revenue are recorded on an accrual basis. Interest on past due sewer and water rates prior to 1986 was recorded on a cash basis as accounts were paid. In 1986 the City began accruing interest monthly.

(b) Expenditure recognition

Expenditures are recorded on an accrual basis. Outstanding commitments for goods and services relating to the current year are accrued at the balance sheet date.

Principal and interest repayments of long term debt are recorded as expenditures when repaid on specified dates.

Interest on long term debt is recorded on an accrual basis at year end.

Debenture discounts are written off on a straight line basis over the terms of the various issues.

(c) Fixed assets

Capital assets and projects in progress are recorded at cost. The City does not record depreciation on its property and equipment. Funds received through capital assistance programs, cost sharing arrangements or loan forgiveness are treated as additions to investment in capital assets, in addition to the principal repayment of long term debt.

(d) Financing

(i) It is a policy of the City to provide interim financing for annual water and sanitary sewer capital construction. The associated interest costs are recorded as expenditures in the Water and Light revenue fund for projects other than those which have qualified under the Community Services Contribution Program. This Federal government program provides for capitalizing interim financing costs for grant purposes.

(ii) The Community Services Contribution Program also provides for an annual simple interest grant relating to bonds issued for eligible sanitary sewer projects. This annual simple interest grant is received over the life of the issue and serves to reduce debt charges in the current fund annually. In 1986 two such simple interest grants were received totalling $505,912 which relate to two separate bond issues.

(e) Prior year's operating results

In accordance with the Municipalities Act of New Brunswick the Water and Light Department has included the surplus from 1984 in the 1986 revenues.

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

2. Prepaid sewer user costs

The prepaid sewer user costs of $1,162,844 represents Moncton's share of costs incurred by the Greater Moncton Sewerage Commission for 1986. User fees are to be levied to recover these costs.

3. Property, plant and equipment, at cost

	1986			1985
	Fully Funded	Debentures Issued in Excess of Expenditures	Total	Total
Fixed assets				
Water system	$33,201,029	$(516,984)	$32,684,045	$31,127,418
Sanitary sewer system	16,686,191	(588,051)	16,098,140	15,317,157
	$49,887,220	$(1,105,035)	$48,782,185	$46,444,575

4. Long term debt

	1986			1985
	Water	Sanitary Sewer	Total	Total
Debenture debt				
Serials and certificates	$ 8,867,167	$8,620,832	$17,487,999	$16,905,679
Sinking fund	1,500,000		1,500,000	1,500,000
	10,367,167	8,620,832	18,987,999	18,405,679
Other				
Municipal Development and Loan Board	2,136,405		2,136,405	2,196,314
Central Mortgage and Housing Corporation		266,644	266,644	292,938
Department of Regional and Industrial Expansion	492,548	244,516	737,064	778,971
	$12,996,120	$9,131,992	$22,128,112	$21,673,902

CITY OF MONCTON

WATER AND LIGHT DEPARTMENT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1986

4. Long term debt (continued)

Principal payments required to service existing debt during the next five years are as follows:

1987	$2,742,279	1988	$1,746,108	1989	$1,799,531
1990	$1,835,330	1991	$1,636,309		

The borrowing authorization and liability to debenture holders is vested with the City of Moncton and the liability is assumed by the Water and Light Department.